

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	§	
	§	
<b>BLUEWATER INDUSTRIES, LP,<sup>1</sup></b>	§	<b>CASE NO. 15-35530-H5-7</b>
	§	
<b>DEBTOR.</b>	§	<b>Chapter 7</b>

**JOINT MOTION FOR AUTHORITY TO EXECUTE LIEN RELEASES  
RELATED TO BENNU OIL & GAS, LLC**

**THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

**TO THE HONORABLE KAREN BROWN, UNITED STATES BANKRUPTCY JUDGE:**

COMES NOW, Ronald J. Sommers, Chapter 7 trustee, (the “Trustee”) and Bennu Oil & Gas, LLC (“Bennu”) and file this Joint Motion for Authority to Execute Lien Releases Related to Bennu Oil & Gas, LLC (the “Motion”) and, in support thereof, state as follows:

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<sup>1</sup> The last four digits of the Debtor's federal tax identification number are: xx-xxx6855.

**Factual Statement**

**A. The Clipper Project**

1. Bluewater Industries, LP (“Bluewater”) is a limited partnership formed under the laws of the state of Texas, with a principal place of business in Houston, Texas.

2. ATP Oil & Gas Corporation (“ATP”) was an offshore exploration and production company engaged in the acquisition, development and production of natural gas and oil properties in the Gulf of Mexico.

3. Bluewater held itself out as a general marine contractor with respect to offshore oil and gas platforms, facilities, pipelines and other infrastructure.

4. ATP was the operator and a lessee of a certain federal offshore lease relating to Green Canyon Block 300, commonly referred to as Clipper.

5. ATP initiated a project to develop Clipper (the “Clipper Project”), which called for the construction of a subsea tieback from two subsea wells located in Green Canyon Block 300, GC 300 Block #4 well and the GC 300 Block #2 well (the “Clipper Wells”). The Clipper Project included the procurement, construction and installation of flowlines and a control umbilical that would be connected from the Clipper Wells to a nearby production platform for the purpose of extracting oil and gas.

6. ATP and Bluewater entered into two Clipper Project work orders by which Bluewater agreed to provide certain design, engineering, construction, and other services with respect to the Clipper Project.

**B. ATP’s Bankruptcy and Litigation with Bennu**

7. Significant work on the Clipper Project commenced towards the end of 2011, and the project was ongoing on August 17, 2012, when ATP filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. ATP’s bankruptcy case is currently pending as Case

No. 12-36187-H1-7 (the “ATP Case”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”).

8. During ATP’s bankruptcy case, ATP filed motions to sell all or substantially all of its assets.

9. On October 17, 2013, the Bankruptcy Court entered a final sale order (ATP Case, Docket No. 2706) (the “Final Sale Order”) approving the sale of certain of ATP’s assets (the “Purchased Assets”) to Bennu. A true and correct copy of the Final Sale Order is attached hereto as **Exhibit A** and incorporated herein for all purposes. The Purchased Assets included the Clipper Project. The contracts between ATP and Bluewater related to the Clipper Project were assumed by ATP and assigned to Bennu as part of the sale.

10. In 2013 and 2014, Bluewater filed a total of nine liens and *lis pendens* under the Louisiana Oil Well Lien Act (“LOWLA”) in Plaquemines Parish, Lafourche Parish, and Terrebonne Parish, Louisiana for amounts Bluewater claimed to be due in connection with the Clipper Project and other work on the Purchased Assets (the “Bluewater Liens”).

11. On January 3, 2014, Bennu filed an adversary proceeding against Bluewater and Technip USA, Inc. (“Technip”) in the Bankruptcy Court. This adversary proceeding was styled *Bennu Oil & Gas, LLC vs. Bluewater Industries, LP, et al (In re ATP Oil & Gas Corporation), No. 14-3001* (the “Adversary Proceeding”). The Adversary Proceeding sought, among other relief, damages arising from the failure of the control umbilical installed by Bluewater and Technip in connection with the Clipper Project.

12. On July 30, 2015, the Bankruptcy Court entered a final judgment in the Adversary Proceeding (Adversary Proceeding, Docket No. 183) (the “Judgment”). The Judgment awarded Bennu a net amount of not less than \$13,186,254.39 against Bluewater in relation to Bluewater’s

work on the Clipper Project. A true and correct copy of the Judgment is attached hereto as **Exhibit B** and incorporated herein for all purposes. By virtue of the Judgment, Bluewater has no claim against Bennu related to the Clipper Project or any other Purchased Assets. Rather, Bennu is one of Bluewater's largest creditors.

13. After entry of the Judgment, eight of the nine Bluewater Liens were released via release forms voluntarily executed by Bluewater prior to this bankruptcy filing. One of the Bluewater Liens, however, was not released at that time (the "Remaining Bluewater Lien"). Upon information and belief, it was simply an oversight that the Remaining Bluewater Lien was not released at the same time as the other Bluewater Liens. As discussed above, Bluewater has no obligations owed by Bennu that can be secured by the Remaining Bluewater Lien, as Bennu is a net creditor of Bluewater. *See* La. Rev. Stat. § 9:4864(B).

**C. Bluewater's Bankruptcy**

14. On October 20, 2015, Bluewater filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code, initiating the above-styled bankruptcy case.

15. The Trustee was appointed Chapter 7 trustee for Bluewater's bankruptcy estate.

16. On November 17, 2015, Bennu filed Proof of Claim No. 3 in Bluewater's bankruptcy case. This Proof of Claim asserted a claim for the Judgment.

**Relief Requested**

By this Motion, Bennu and the Trustee seek authority to allow Bennu to execute the documents necessary to release the Remaining Bluewater Lien. Pursuant to paragraphs 14 and 19 of the Final Sale Order, Bennu is authorized to execute and file any documents necessary to release the liens or privileges, or terminate any *lis pendens*, filed by any creditor against any of the Purchased Assets, to the extent that such liens, privileges, or *lis pendens* have been paid in full, or released or extinguished by operation of the Final Sale Order or otherwise.

Attached hereto as **Exhibit C** are the two release forms Bennu must execute in order to release the Remaining Bluewater Lien. The Trustee has reviewed these forms, the Judgment, and has spoken with counsel for Bennu. The Trustee has no objection to Bennu's executing and filing the necessary release documents, but wishes to give notice to parties in this bankruptcy case and obtain an order of authorization from this Court before Bennu does so.

**Prayer**

Bennu and the Trustee request that the Court enter an order authorizing Bennu to execute, and file or record in the appropriate office(s) of recordation, as necessary, the release forms attached as **Exhibit C** hereto (or substantially similar forms). Bennu and the Trustee also request general relief.

**Dated: February 24, 2016.**

Respectfully submitted,

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By: /s/ Phillip L. Lamberson  
Phillip L. Lamberson  
Texas Bar No. 00794134

By: /s/ Ronald J. Sommers  
Ronald J. Sommers  
Texas Bar No. 18842500

**ATTORNEYS FOR BENNU OIL &  
GAS, LLC**

**RONALD J. SOMMERS, CHAPTER 7  
TRUSTEE**

**AND**

**CERTIFICATE OF SERVICE**

Pursuant to BLR 9013-1(f), I hereby certify that on February 25, 2016, notice of this document will be mailed via first class mail, postage prepaid, to the parties listed on the attached service list. Additionally, notice will be electronically mailed on February 24, 2016 to the parties that are registered or otherwise entitled to receive electronic notices in these cases pursuant to the Electronic Filing Procedures in this District.

/s/ Phillip L. Lamberson

One of Counsel